

Household Expenses – Maximum \$9,010 for Hospitals



Description

You can salary package your household expenses (ie. cost of living expenses). The expenses GO Salary recommend include:

- Mortgage, car or personal loans
- Rates
- Medical and dental expenses
- Rent
- Private Health insurance
- Salary Packaging Card
- Credit card payments
- School and education fees

Remember, the aim is to claim enough bills to cover the salary packaging limit (see below). We recommend you use your largest family bills first (eg. mortgage or rent), and add any additional bills to reach the limit. Contact GO Salary for assistance.

Exclusions

There are no, or few exclusions. However, it is impractical to salary package low value expenses and expenses with GST (eg. phone, electricity, insurance). Contact GO Salary to maximise your salary package entitlement.

Limit

\$9,010. Fortnightly, the value is \$346.54. The annual value equates to \$17,000 'grossed-up'.

Add to My Salary Package

You can add household expenses to your salary package by:

- Go to the **My Salary Package** page; and
- Select '**Add Household Expense**' and follow the simple instructions.

Substantiation (This is an ATO Requirement)

It is an ATO requirement that you provide proof of any expense you salary package. We recommend you salary package your 'fixed' expenses, as these are easiest to prove (a single copy will suffice).

| Fixed Expense | Document Required | Variable Expense | Document Required |
|---------------------|--|----------------------|--|
| Mortgage | Document showing Required Repayment & Freq. | Credit Card Payments | Statements showing amounts PAID |
| Personal / Car loan | Document showing Required Repayment & Freq. | Interest | Bank statements, showing all interest paid |
| Rent | Rent agreement or letter from landlord / agent | Rates | Annual rates notice (or each quarter) |
| Health insurance | Bank statement or letter from insurer | School Fees | Tax Invoice, each term |
| | | Medical / Dental | Tax Invoice per treatment |

You will be required to verify the fixed expense amount each year.

Please respond quickly to any requests from GO Salary for substantiation. Failure to do so will result in the delay, suspension or cancellation of your salary package.

Salary Packaging Card holders do not need to provide copies of any purchases. The card is an ideal paperless option.

What happens with my pay?

The amount nominated will be deducted from your salary pre tax, in addition to any other benefits (eg. meal entertainment). The amount deducted is then reimbursed into your nominated bank account (or salary packaging card). Payment is a single deposit if you have other salary packaging deductions.

For example, if your salary package amount is \$346.50, this amount is deducted from your salary pre tax and paid tax free into your nominated bank account (or card) each fortnight.

Reporting

Yes, the benefit is reported on your Payment Summary. The value reported is the 'grossed-up' value. This is calculated as $\$9,010 \times 1.8868 = \$17,000$. If you salary package meal entertainment / holiday accommodation, a further \$5,000 may be reported.

Questions?

Ask Amy at gosalary.com.au.